

PLAINFIELD MUNICIPAL UTILITIES AUTHORITY

**Minutes of a Board of Commissioners Regular Meeting
Tuesday, January 13, 2015**

**127 Roosevelt Avenue
Plainfield, New Jersey**

I. OPEN PUBLIC MEETINGS LAW (STATEMENT OF COMPLIANCE)

Commissioner Mitchell, Chairman, called the meeting to order at 6:00 p.m. by reading the Statement of Compliance

II. SALUTE TO THE FLAG

The Pledge of Allegiance was said by all.

III ROLL CALL

Present

Commissioner Carol Ann Brokaw
Commissioner Malcolm R. Dunn
Commissioner Harold Mitchell
Commissioner Cecil H. Sanders, Jr. @ 6:09pm
Commissioner Charles Tyndale

Also Present

Mr. Daniel A. Williamson, Executive Director
Mr. Duane Young, Chief Financial Officer
Ms. Leslie London, Board Attorney
Mrs. Roslyn Mathis, Board Secretary
Staff and Public

Alt. Commissioner Charles Eke Absent

IV. APPROVAL OF MINUTES – December 4, 2014 Committee Meeting Notes; December 4, 2014 Committee Meeting Executive Session Notes; December 9, 2014 Regular Meeting Minutes; December 9, 2014 Executive Session Notes; December 22, 2014 Special Meeting Minutes

Commissioner Dunn moved, seconded by Commissioner Brokaw, approval of the December 4, 2014 Committee Meeting Notes. The motion carried, on a roll-call vote, with three members in favor and none opposed.

RECORDED VOTE December 4, 2014 Committee Meeting Notes

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale				X	
<u>Alternate</u> Charles Eke					X

Commissioner Brokaw moved that the December 4, 2014 Committee Meeting Executive Session Notes be approved as submitted, seconded by Commissioner Dunn. The motion carried, on a roll-call vote, with three members in favor and none opposed.

RECORDED VOTE **December 4, 2014 Committee Meeting Executive Session Notes**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale				X	
<u>Alternate</u> Charles Eke					X

Commissioner Brokaw moved that the December 9, 2014 Regular Meeting and the December 9, 2014 Executive Session Notes be approved as submitted, seconded by Commissioner Dunn. The motion carried, on a roll-call vote, with four members in favor and none opposed.

RECORDED VOTE **December 9, 2014 Regular Meeting Minutes and Executive Session Notes**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

Commissioner Brokaw moved that the December 22, 2014 Special Meeting Minutes be approved as submitted, seconded by Commissioner Tyndale. The motion carried, on a roll-call vote, with four members in favor and none opposed.

RECORDED VOTE**December 22, 2014 Special Meeting Minutes**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.					X
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

V. COMMUNICATIONS**A. Proposed 2015 – 2016 Board Meeting Dates**

Mr. Williamson said that at the Committee Meeting administration presented to the Board proposed 2015 – 2016 Board meeting dates. He said these dates will be submitted for approval at the February Re-Organization Meeting since there aren't any changes.

VI. REPORT OF COMMITTEES

Mr. Williamson reported that there was a detailed meeting with the Finance Committee consisting of him, Mr. Young, Commissioner Brokaw and Commissioner Dunn that concerned a host of issues.

Chairman Mitchell inquired if either of the Commissioners had any comments regarding the meeting.

Commissioner Brokaw indicated that they agreed both Mr. Young and Mr. Williamson would receive notice with respect to whether the Board intended to renew their contracts; and, there was also discussion about moving forward with having the three or five-year study done, whatever is appropriate, to determine what the Authority's objectives should be for the future and how to get there.

Mr. Williamson stated that there was detailed discussion regarding the study, and he said that Mr. Young has been studying various specifications and will put together a report that will be submitted to the Board for the Commissioners' approval before the Authority goes out to bid to acquire the appropriate individuals who will do the study of the PMUA and what their future should look like.

Mr. Young acknowledged that he received information from various sources, and he said that he will put together what the PMUA needs to make the specifications for the Authority that will be used for the RFP.

Mr. Williamson acknowledged that the study probably will be costly; he said it could be in excess of \$15,000.00, \$20,000.00 or more.

Mr. Young said that the RFP's will be sent to a minimum of five agencies that will have an opportunity to bid on it.

Ms. London advised that the bid will be publicly noticed in the newspaper, and also in the trade magazine.

VII. EXECUTIVE DIRECTOR'S REPORT

A. Attorney's Report

Ms. London reported that she has two updates for Executive Session.

(Commissioner Sanders arrived here at 6:09 p.m.)

B. Bills List

Mr. Young indicated that there was an extensive Finance Committee Meeting where there was discussion regarding revenue, the budget versus actual, which, he said, is a significant monthly report, and he said they went over the numbers as it relates to the bottom line, plus the sewer and solid waste. He said that through 11 months, the sewer budgetary income was \$200,000.00; the solid waste budgetary income was \$558,599.00. Mr. Young said that overall for the 11 months they are slightly over \$750,000.00 to the good for budget versus actual; he said the Authority will have a positive budget versus actual for the end of the year. Mr. Young indicated that the Commissioners have in their packets the usual reports, the bills list, account receivables, cash receipts and disbursements as well as the invested funds report. He highlighted some of the larger expenses such as salaries and wages, \$487,000.00; disposal fees, \$442,000.00; health benefits, \$140,000.00; vehicle maintenance \$98,000.00; truck lease payments, \$33,000.00; and fuel, \$23,800.00. He said that represents almost 80 percent of the expenses for the month. Mr. Young was ready to answer any questions the Commissioners had.

Commissioner Tyndale inquired what the difference is between the tipping fee for the Meadowlands, and the one for Union County.

Mr. Young responded that the tipping fee for the Meadowlands is for type 13 bulky waste, \$348,876.67; he said the UCUA is for type 10 garbage disposal.

Commissioner Tyndale inquired if this is because of the other contracts the Authority has.

Mr. Young replied not only the contracts with other municipalities, but also the bulky waste that's part of the shared services in the City of Plainfield. Mr. Young said that bulky waste is a significant part of the shared services that is done for the whole City of Plainfield.

Ms. London advised that these two facilities are where the PMUA is directed to go to because of the waste control of Union County. She said that the Authority doesn't have a choice of where to go for the delivery of its materials.

Commissioner Dunn said that there is a phenomenon occurring at the gas pump, and he inquired if there was any type of projection as to the savings the Authority is going to realize as a result of this.

Mr. Young replied that administration is watching the gas pump; he said right now it's low, but the Authority budgeted it at the higher price. He said there will be some savings, but he couldn't project what the amount would be at this time.

Commissioner Dunn suggested that the Authority look at alternative methods to be used in the trucks while the gas is low.

Mr. Young responded that was one of the things he thought about putting in the RFP, he said to see what other alternatives the Authority may have. He said there are a lot of different things happening. Mr. Young said that administration wants to get some ideas of how to lower the cost as it relates to fuel.

Mr. Young said repairs and maintenance are still large numbers on the bills list. He said the Authority should be receiving the two new trucks sometime this month; he said that hopefully they will see a difference with the new vehicles.

Mr. Williamson indicated they should be receiving the two new trucks within the next 10 days. He said that the Authority is also looking at developing an in-house repair program. Mr. Williamson said that may be part of the study as well.

Ms. London presented **resolution #2-2015 authorizing the payment of bills**. Commissioner Brokaw moved that the bills list be approved as submitted, seconded by Commissioner Dunn. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #2-2015 Payment of Bills

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

C. Resolution Renewing Shared Services Agreements for Borough of North Plainfield Type 23 Vegetative Waste and Type 13 Bulky Waste

Per Commissioner Dunn’s inquiry, regarding justification to renew the Agreement, Mr. Williamson said that the Finance Department put together a document with regard to North Plainfield. He said there was total revenue of \$96,685.67, total expenses \$42,005.72; he said there was a net gain of \$54,679.95. Mr. Williamson said that administration is recommending the renewal of that Agreement going forward.

Ms. London presented **resolution #3-2015 authorizing the renewal of a Shared Services Agreement between the Borough of North Plainfield for Type 23 Vegetative Waste and Shared Services Agreement for Type 13 Bulky Waste.** Commissioner Sanders moved, seconded by Commissioner Tyndale, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #3-2015 Borough of North Plainfield

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

D. Resolution Renewing Shared Services Agreement for Borough of South Plainfield Type 13 Bulky Waste

Mr. Williamson said again, per Commissioner Dunn’s request, the gross revenue with South Plainfield for 2014 was \$41,693.88, with expenses of \$27,795.92, and the net was \$13,897.96. He said that administration is requesting that the Agreement for renewal be approved with the Borough of South Plainfield.

Ms. London presented **resolution #4-2015 authorizing the renewal of a Shared Services Agreement for the Borough of South Plainfield Type 13 Bulky Waste.** Commissioner Tyndale moved, seconded by Commissioner Sanders, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE Resolution #4-2015 Borough of South Plainfield

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

E. Resolution Renewing Shared Services Agreements for the Borough of Green Brook Type 23 Vegetative Waste and Type 13 and Type 13C

Mr. Williamson indicated that this contract was not discussed at the Committee meeting, but he said it was something that was developed after the meeting and administration is asking the Board to consider the renewal of that contract. Mr. Williamson said that the gross revenue through November 30th was \$30,087.45, with expenses of \$8,213.34, and the net revenue was \$21,874.11.

Ms. London advised for clarification that the Authority is renewing the Agreement with the Borough of Green Brook for Type 23 Vegetative Waste, and the PMUA would be authorizing a new contract with the Borough of Green Brook for Type 13 and Type 13C because the Authority doesn’t currently have an Agreement for those two at this time.

Ms. London presented **resolution #5-2015 authorizing the renewal of an Agreement with the Borough of Green Brook for Type 23 Vegetative Waste, and authorizing a Shared Services Agreement with the Borough of Green Brook for Type 13 and Type 13C waste.**

Commissioner Dunn asked what the difference is between Type 13 and Type 13C.

Mr. Williamson replied that Type 13C deals with construction materials and Type 13 is bulky waste.

Commissioner Tyndale moved, seconded by Commissioner Brokaw, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #5-2015 Borough of Green Brook

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

F. Non-Fair and Open Contract Award to SLX Infrastructure, LLC for Professional Engineering Services

Mr. Williamson stated that this is the company that provides in-house engineering services to the Authority to assist in evaluating some of the contracts and engineering items received by the PMUA. Mr. Williamson indicated that this company has been on board for approximately one year, and their service has been excellent, therefore, he said that administration is asking the Board to approve this contract. Mr. Williamson said that SLX also assisted the Authority very appropriately with regard to the Rock Ave. Interceptor project.

Commissioner Tyndale inquired if the bills were paid regarding the Interceptor.

Mr. Young responded that the bills were paid as far as the invoices that have been received so far. He said that there will be other invoices, particularly the larger invoice for Tomco. Mr. Young said the Authority is up-to-date and everything should be paid up to the middle of November.

Ms. London presented **resolution #6-2015 authorizing the award of a non-fair and open contract for professional engineering services to SLX Infrastructure, LLC.**

Commissioner Sanders inquired if administration could give the Board an idea of the expenditures for SLX.

Mr. Young replied that it was slightly under \$60,000.00 for them.

Commissioner Brokaw moved that the non-fair and open contract be awarded to SLX Infrastructure, LLC, seconded by Commissioner Tyndale.

Commissioner Tyndale inquired if the issue regarding the monitoring of contracts and invoices had been resolved.

Mr. Williamson replied yes, Ms. Hamlin is present at the meeting, but she is monitoring that process so the Authority doesn't have the situation they had with Oveter's.

The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE

Resolution #6-2015 SLX, Infrastructure, LLC

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

G. Authorization of the use of Certain Approved State Contract Vendors with Morton Salt, Inc.

Mr. Williamson indicated this is a request by administration to receive authorization from the Board to use Morton Salt, Inc. for the purchase of rock salt for the winter.

Ms. London presented **resolution #7-2015 authorizing the execution of a contract with a certain approved State contract vendor.**

Commissioner Sanders inquired when a State vendor is used and the Authority doesn't have to go out to bid are they all also under the \$17,500.00 threshold.

Ms. London replied no, she said it could be more than that. Ms. London said that in this particular case it is estimated that it will not exceed \$17,500.00, but there should always be a not-to-exceed amount to control the contract amount.

Commissioner Sanders moved, seconded by Commissioner Brokaw, approval of the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

RECORDED VOTE**Resolution #7-2015 Morton Salt, Inc.**

	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

Mr. Williamson reported to the Board that there was discussion regarding a Special Meeting for January 27th to approve the budget and to have a Rate Hearing. He said that there are some timing issues and the Rate Hearing is going to be moved to February 10th, which is also the Regular Re-Organization Meeting.

Chairman Mitchell inquired if the budget is up online.

Mr. Williamson replied that it is online and presently being reviewed by the State. He said the Authority submitted it to the City. Mr. Williamson said there were a couple of questions from the Director of Administration and Finance, but the Authority doesn't see any problems with the budget itself.

Chairman Mitchell advised the Authority's administration to have copies of the budget available for the citizens who may want to come in and pick it up, as well as when it is submitted.

Mr. Williamson responded the Authority will make sure it's online and they will identify the locations the citizens would be able to get copies; from City Hall, and the City library, for example, and he said there would be a couple of copies available at the front desk.

Commissioner Tyndale inquired what kind of questions were posed.

Mr. Young replied that the question that was asked was; in the budget, the Authority is utilizing \$700,000.00 unrestricted net assets; he said the question was asked how much total restricted net assets does the Authority have. Mr. Young said that that information is in the financials, and if they looked in there they would see what it is; he said it's approximately \$4 million. Mr. Young said that was the only question that was asked and he gave them the answer, and he said that he hasn't heard anything else.

Chairman Mitchell said that they have come to the portion of the meeting where it's an opportunity for any member of the public to be allowed to speak; he asked if they had a desire to do so, please stand, give their name and address, and they would be given three minutes.

Alan Goldstein, 939 Madison Ave. Mr. Goldstein wished everyone a Happy New Year.

He said that he was looking through the budget, as well as last year's audit and financial statement, and he said reading through the MD and A, Management Discussion and Analysis, he said there was a point talking about net investment and capital assets; he said it's in a negative position because the Authority is paying off capital related debt over a longer time period than the useful life of the assets. Mr. Goldstein said that seemed a little bit odd to him, and just by googling a combination of debt structure, useful life of assets and such, there are dozens of sources online, and there are municipalities coast to coast, colleges, water districts in California, and many of them actually have written policies and as well as there is academic work on financing. He said that everything he saw, that it said that they want either the debt to match the useful life, or they want the useful life to be longer than the maturity of the debt. He said that one reason is that if the assets are not useful, they have people who never had any benefit still paying it off. He said it seemed a little bit odd; but he knows the PMUA is different; he said it flies in the face of financing principles as well as the policies that are listed for dozens of municipalities and other entities. He was wondering if someone might comment on that.

Mr. Goldstein said that by the time he got home after the Special Meeting in December, he said that ultimately the budget got up so he had an opportunity to look through it. He said that one thing that stuck out because now there are varying degrees of disclosure, he said that under food and catering expenses it shows that at every Board meeting there's \$350.00 for refreshments, which he said seems kind of excessive to him; he said that he didn't know if that's right for ratepayers to be paying for more than just water; he didn't know what that's all about. Mr. Goldstein said that he OPRA'd the information; he said he thought some of this was being eliminated. He said that he didn't know if they were getting a spread for everybody who is in attendance, but he believes that's a little bit excessive for a public entity.

Commissioner Tyndale responded on the first point, he said when a car is financed, it's driven off the lot, there is lost value; so Commissioner Tyndale opined Mr. Goldstein's point about financing and life of assets, the practicality of it doesn't work.

Commissioner Tyndale said that he doesn't see the Transfer Station going anywhere, it is constantly being upgraded, and the sewer isn't going anywhere, so they will always be assets.

Commissioner Tyndale said the financials are way past the life based on Mr. Goldstein's analysis, but it doesn't seem to be a major issue in Commissioner Tyndale's mind.

Mr. Goldstein said that he didn't do any analysis of it; he said just what he has seen from other entities.

Mr. Young said that to some extent what happens with this Authority, it would be nice ideally if the assets life died, the debt fell off. Mr. Young said that in reality, that doesn't happen. He said when the Authority established debt, it goes back to the beginning; he said when the PMUA started taking over the garbage in-house, they had to secure financing and the life of the trucks didn't match the debt.

Mr. Young said that the Authority was put in a position where they had to take over picking up the whole City and secure financing over time that's going to zero out; he said that the Authority is going to get new trucks and when they get more trucks it will match with the debt.

Mr. Young continued to give a detailed explanation, and advised Mr. Goldstein that the Authority has done a much better job in terms of matching the debt as the PMUA has continued to grow, and if Mr. Goldstein looked at the financials over seven years he will see that number has continued to go down.

Ms. London presented **resolution #8-2015 authorizing a meeting not open to the public.** Commissioner Brokaw moved, seconded by Commissioner Tyndale, to approve the resolution. The motion carried, on a roll-call vote, with five members in favor and none opposed.

<u>RECORDED VOTE</u>		Resolution #8-2015 Executive Session			
	YES	NO	ABSTAIN	PRESENT NOT VOTING	NOT PRESENT
Carol Ann Brokaw	X				
Malcolm R. Dunn	X				
Harold Mitchell	X				
Cecil H. Sanders, Jr.	X				
Charles Tyndale	X				
<u>Alternate</u> Charles Eke					X

The Board adjourned into Executive Session at 6:41 p.m.

The Board returned to the public session at 6:55 p.m.

Commissioner Brokaw summarized the Executive Session and said that during the Executive Session the Board discussed two topics; one being the litigation with respect to the return of the rental security for the Park Avenue facility. She said that there is a hearing scheduled for next Tuesday, but it may or may not occur with both parties being present; she said that is a wait and see situation.

With respect to the litigation with Mr. Perry, it was agreed the Board will make a counter offer and if that counter offer is not accepted then Counsel will ask the Judge to act as a mediator with respect to bringing the parties together to reach a settlement.

Commissioner Sanders moved, seconded by Commissioner Tyndale and unanimously approved by the Board, to adjourn the meeting at 6:51 p.m.

Recorded by:

Roslyn Mathis, Board Secretary